



Department of Justice

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SIX MISSISSIPPIANS INDICTED FOR UNEMPLOYMENT INSURANCE FRAUD

Jackson, MS - Carolyn Smith, 50, of Hattiesburg; Gwendolyn Kelly, 44, of Bolton; Darryl Dancy, 44, of Hattiesburg; James Polson, 25, of Ellisville; Anita Hoskins, 42, of Jackson; and Ruby Williams, 40, of Hollandale, have each been indicted on six counts of unemployment insurance fraud, U.S. Attorney John Dowdy, Richard Walker, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, and Mark Henry, Executive Director of the Mississippi Department of Employment Security, announced today.

The defendants are each charged with using interstate wire communications to carry out a scheme to fraudulently obtain unemployment insurance benefits that they were not entitled to receive from the Mississippi Department of Employment Security (MDES) in Jackson, Mississippi. According to the indictments, each defendant received unemployment insurance benefits for a period of time but still continued to work and receive wages from some other employer without reporting it to MDES. In response to specific questions each week about work and wages, the defendants lied to MDES in order to continue to receive the unemployment insurance payments. Collectively, these six cases represent approximately \$80,534.00 in fraudulently paid unemployment insurance benefits. Additional indictments are anticipated in the near future.

If convicted, each defendant faces a maximum penalty of 120 years in prison and a \$250,000 fine.

“At a time when the federal government is facing some of its most severe financial hardships, we will use every available resource to prosecute those criminals who commit fraud against the taxpayers,” said U.S. Attorney Dowdy, “According to a Government Accounting Office (GAO) report, in FY 2010, estimated improper payments of \$17.5 billion were paid for unemployment insurance. The primary causes, according to the GAO, include claimants who have returned to work and continue to claim benefits such as the individuals indicted today.”

“These indictments serve as a clear message that combating Unemployment Insurance fraud remains a high priority for the Office of Inspector General. We will continue to work with the Mississippi Department of Employment Security and our other law enforcement partners to aggressively investigate those who obtain benefits to which they are not entitled,” stated Richard Walker, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations.

The Mississippi Department of Employment Security (MDES) provided the names of people who had fraudulently obtained large amounts of unemployment benefits. This investigation is part of the Department's ongoing fight to stop this kind of fraud in Mississippi. MDES Executive Director Mark Henry, said, "We are pleased to be partners in this successful effort with the U.S. Department of Labor's Office of Inspector General and the U.S. Attorney's Office. By committing fraud, these defendants stole from the honest, hardworking Mississippians who actually deserve to receive unemployment benefits."

The Federal-State Unemployment Insurance Program provides for unemployment insurance payments to eligible workers. Congress also passed the Emergency Unemployment Compensation Act and The American Reinvestment and Recovery Act (ARRA) which contributes additional federal funding for weekly unemployment payments. Each State administers the unemployment insurance program within guidelines established by Federal law. The Mississippi Department of Employment Security (MDES) administers the Program locally.

The public is reminded that, as in any criminal case, a person is presumed innocent until and unless proven guilty. The charges filed merely contain allegations of criminal conduct.

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